

LINDA LINGLE
GOVERNOR
STATE OF HAWAII



MICAH A. KANE
CHAIRMAN
HAWAIIAN HOMES COMMISSION

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DEPUTY TO THE CHAIRMAN

KAULANA H. PARK
EXECUTIVE ASSISTANT

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

P.O. BOX 1879
HONOLULU, HAWAII 96805

August 13, 2004

MEMO TO: All Interested Parties

FROM: Micah A. Kane, Chairman
Hawaiian Homes Commission

SUBJECT: Annual Performance Report
Native Hawaiian Housing Plan

Aloha! In December 2000, Congress amended the Native American Housing Assistance and Self-Determination Act (NAHASDA) by adding Title VIII, which included Native Hawaiians, and rules to implement Title VIII were published in June 2002 and November 2003. The Native Hawaiian Housing Block Grant (NHHBG) provided \$9,600,000.00 in grant funds to the Department of Hawaiian Home Lands (DHHL) to implement the Native Hawaiian Housing Plan (NHHP) for FY 2002 and \$9,537,600.00 for FY 2003.

An Annual Performance Report (APR) for FY 2003 has been prepared and a copy is attached for your information and comment. Comments should be sent to the Department of Hawaiian Home Lands, P.O. Box 1879, Honolulu, Hawaii 96805, Attention: NAHASDA and will be accepted until **August 23, 2004**.

Comments and recommendations will be taken into consideration in finalizing the APR, which must be submitted to the Department of Housing and Urban Development (HUD) by August 30, 2004.

If you have any questions or if you need additional information, please call Sandra Asato, Planning and Development Coordinator/NAHASDA, at (808) 587-6487.

Mahalo!

Attachment

Annual Performance Report Cover Sheet

Department of Hawaiian Home Lands (DHHL)

Reporting period for which this APR is prepared: from: 7/1/03 to: 6/30/04
(mm/dd/yy) (mm/dd/yy)

Sandra Asato Name of Contact Person		Planning and Development Coordinator, NAHASDA Title	(808) 587-6487 Telephone no. with Area Code
Micah A. Kane Name of official authorized to submit APR	Chairman, Hawaiian Homes Commission Title	Signature	Date

Certification: The information contained in this report is accurate and reflects the activities actually accomplished during the reporting period. Activities planned and accomplished are eligible under applicable statutes and regulations and were included in the applicable one-year activities in the corresponding Native Hawaiian Housing Plan.

Warning: If you knowingly make a false statement on this form, you may be subject to civil or criminal penalties under Section 1001 of Title 18 of the United States Code. In addition, any person who knowingly and materially violates any required disclosure of information, including intentional disclosure, is subject to civil money penalty not to exceed \$10,000 for each violation.

For HUD use only

Date APR is received by HUD	Time	Logged in by
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Part I – Reporting on the One-Year Native Hawaiian Housing Plan (NHHP)

[NOTE: A separate Part I (that includes Tables I and II) must be completed for each open grant.]

Is this the final APR for this grant?

Check one: Yes

No

X

Each year, the DHHL develops goals and objectives in the NHHP that describe the use of NHHBG funds. At the end of the program year, a report on the progress made towards achievement of the goals and objectives is provided to the public and to HUD.

1. Report on each of the one-year goals and objectives identified in the NHHP for this reporting period on a table format developed by the DHHL. The table should include the following information: Goal, Objective and Task Identification Number; Description of Goal, Objective or Task; Budgeted Amount by Goal, Objective or Task; Expended Amount by Goal, Objective or Task; Project or Program Description; and Accomplishments during the Program Year. Provide an explanation for any cost overruns or delays in completing Goals, Objectives or Tasks.

As of this reporting, DHHL is on schedule for obligating and expending grant funds, with the exception of Objective 1A, Task 5—Acquisition of a building to initiate a mutual housing rental program. DHHL's search was not successful in securing an adequate building for that purpose and a request was submitted to HUD on June 3, 2004 to delete the activity from the NHHP.

Discussions with the counties continued during this reporting period and subrecipient agreements were drafted and are being finalized with the City and County of Honolulu and the County of Hawaii; however, no loans have been made to date.

The funds initially budgeted for the acquisition of a building for a mutual housing program and the repair loan program with the counties, described above, were obligated for infrastructure for new residential lots, to master plan a new community and to provide technical assistance to families in self-help projects.

See Attachment 4 for status details of each Objective and Task.

2. Are you on schedule to complete the 5-year goals identified in your NHHP?

Check one:

Yes

☒

No

☐

3. If the answer to #2 is no, explain causes for delays and how you plan to modify your program to meet your 5-year goals and objectives.

NA

4. How would you change your programs in general as a result of your experience with the implementation of NAHASDA?

No general changes are anticipated. DHHL has been able to work within the parameters of NAHASDA.

DHHL is in the midst of developing a pilot program to utilize the Section 184A Loan Guarantee Program with DHHL as the borrower.

- a. 17- to 20-lot project has been identified on the island of Maui and DHHL will borrow funds to construct homes to be sold to applicants on the DHHL waiting list.
- b. The applicants will be required to qualify for loans from private lenders or the DHHL to purchase the homes.
- c. The monthly mortgage payments paid by the borrowers to DHHL will be used by DHHL to service the 184A loan.

DHHL would like to pursue discussions to make adjustments to the procedures of the 184A Loan Guarantee Program to enable individual borrowers to utilize the program. The 184A Loan Guarantee Program could then augment the Federal Housing Administration (FHA) Section 247 Loan Program.

Sources of Funds (Table I)

Explains the sources of funds that are available to DHHL for the housing activities. The information should be provided in table format and include: Funding Sources, Planned Amount, and Funds Actually Awarded (See Attachment 1 for a sample).

Funding Sources – A list of the grants, loans and donations that DHHL received to use for housing activities. Sources could include the NHHBG, other HUD grant programs, program income generated from NHHBG funds and activities, other federal grant programs, state grant programs, and private or commercial funding.

Planned Amount – A list of the planned amounts anticipated by DHHL to be received in the NHHP.

Funds Actually Awarded – A list of the amounts actually received by DHHL from the various funding sources.

Narrative:

If funds actually received are different than planned amounts, explain why the planned amount was not realized and how planned activities are impacted.

Uses of NHHG Funds (Table II)

Compares the funds planned to be expended in the NHHG by planned allowable activities to the actual funds expended for allowable activities. The information should be presented in a table format and compares the planned number of units and the planned number of families to be assisted in the NHHG to the actual number of units started or completed and the actual number of families assisted during the reporting period and cumulatively. (See Attachment 2 for a sample)

Narrative:

Amount of NHHBG funds (principal only) invested as of this reporting period end date.

\$ 0.00

Part II – Reporting on Program Year Accomplishments

[This Part is not grant specific. A single Part II consisting of Sections A through C (including the Inspection of Assisted Housing table), is to be prepared and submitted at the end of each fiscal year and will cover all open grants.]

SECTION A – ASSESSMENT

1. Self-Assessment: Sec. 819(b) of the NAHASDA requires the DHHL to annually review its activities and to include the results of this review in its APR. Under this section, provide a narrative briefly describing the activities monitored, the findings of the DHHL related to these activities, actions planned to address significant deficiencies, and any specific actions conducted to monitor sub-recipients.

During this reporting period, the DHHL requested an amendment to the 2002 NHHP to delete the activity of acquiring a building for a mutual housing program as there were no existing available buildings feasible for the program. The funds initially budgeted for the acquisition of the building and the repair loan program with the counties were obligated to construct infrastructure for new residential lots, to master plan a new community and to provide technical assistance to families in self-help projects. In addition, grants were approved to non-profit organizations to provide grants/loans, homeownership counseling, administration, or technical assistance for self-help housing through a contractor.

DHHL monitors all contracts according to conditions within the contracts. Physical inspections are done by DHHL staff or contractors hired by DHHL to verify progress of construction reported by contractors. As of June 30, 2004, no subrecipient has been given Notice to Proceed.

DHHL has policies and procedures for financial management of all funds received and disbursed. Monthly financial reports to DHHL administrators and quarterly reports to the Hawaiian Homes Commission provide the financial status of all budgeted amounts versus actual expenditures by appropriations. Independent audits are conducted annually and a legislative audit is conducted every three years. DHHL has an accountant on staff to monitor receipt and disbursements of all NHHBG funds.

All procurement of services and goods are guided by the Hawaii Public Procurement Code, Hawaii Revised Statutes (HAR), Chapters 103D and 103F, in addition to 24 CFR Part 85. The DHHL Fiscal Office and/or the State Procurement Office reviews all contracts to ensure compliance.

DHHL staff has received training from Mr. Robert Kroll, Deputy Administrator of the SWONAP Office, to ensure that the policies of the National Environmental Policy Act of 1969 (NEPA) and other provisions of Federal law (24 CFR 58.5) are implemented in the expenditure of NHHBG funds. An environmental review is conducted for each project or activity funded with NHHBG funds and the applicable forms completed prior to contracting.

2. Assisted Housing Unit Inspection: Sec. 819(b)(2) specifies that self-assessment must include an on-site inspection of housing units assisted with NHHBG funds. A summary of the results of the assisted housing units inspected in this reporting period should be included in the APR in table format.

During this reporting period, there were no NAHASDA assisted rental units constructed on Hawaiian home lands; therefore, no inspections were conducted.

Inspection of Assisted Housing (Table III)

Provide the information in table format summarizing the results of assisted housing unit inspection. The table should include the following information: Type of Housing; Total Number of Assisted Housing; Number of Units Inspected; Number of Units in Standard Condition; Number of Units Needing Moderate Rehabilitation (costing less than \$20,000); Number of Units Needing Substantial Rehabilitation (costing more than \$20,000); and Number of Units Needing Replacement (See Attachment 3 for a sample).

SECTION B – PUBLIC ACCOUNTABILITY

Section 820(d) of NAHASDA requires the DHHL to make the APR available for public comment and to provide a summary of any comments received from beneficiaries with the submission to HUD. Attach a narrative summary of comments received and, if appropriate, actions planned by the DHHL to address beneficiary concerns.

Grant Number 02NHGHI0001**Table I – Sources of Funds**

Sources of Funds for NHHBG Activities	Planned Amount (from the NHHP)	Total Amount Actually Awarded
(a)	(b)	(c)
1. HUD Resources		
a. Native Hawaiian Housing Block Grant	\$9,600,000.00	\$9,600,000.00
b. Program Income	\$0.00	\$0.00
c. Other HUD Programs	\$0.00	\$0.00
2. Other Federal Resources	\$0.00	\$0.00
a.		
b.		
c.		
3. State Resources	\$0.00	\$0.00
a.		
b.		
c.		
4. Private Resources	\$0.00	\$0.00
a.		
b.		
c.		
5. Total Resources	\$9,600,000.00	\$9,600,000.00

Grant Number **02NHGHI0001**

Table IIa – Uses of NHHG Funds

Activity		Planned (from the NHHG)		Year-to-Date		Cumulative-to-Date		Percentage of NHHBG Grant Funds Obligated
		Budgeted NHHBG Amount	Budgeted Other Amounts	Grant (NHHBG) Funds Expended	Other Funds Expended	Grant (NHHBG) Funds Expended	Other Funds Expended	
(a)		(b)	(c)	(d)	(e)	(f)	(g)	(h)
1. Development		\$8,920,000.00	\$ 0.00					93.8%
a) Rental	Construction of new units							
	Acquisition *	\$2,770,000.00	\$ 0.00					0.0%
	Rehabilitation							
b) Homeownership	Construction of new units	\$2,800,000.00	\$ 0.00	\$5,024,266.00	\$2,561,292.00	\$5,024,266.00	\$2,561,292.00	284.7%
	Loan Programs *	\$3,250,000.00	\$ 0.00					0.0%
	Grants	\$ 100,000.00	\$ 0.00					0.0%
	Acquisition							
	Rehabilitation							
2. Housing Services		\$ 200,000.00	\$ 0.00	\$ 5,112.00		\$ 5,112.00		148.8%
3. Housing Management Services								
4. Crime Prevention and Safety								
5. Model Activities (specify below)								
a)								
6. Planning and Administration		\$ 480,000.00	\$ 0.00	\$ 320,338.00		\$ 403,326.00		100 %
7. Total		\$9,600,000.00	\$ 0.00	\$5,349,716.00		\$5,432,704.00		95.2%

***NOTE:** During this reporting period, DHHL requested approval from HUD to delete the acquisition of an existing building for a mutual housing program (\$2,770,000); these funds were obligated for the construction of new units. In addition, the repair loan program being developed with the counties have not yet resulted in loans to individual beneficiaries; therefore, the \$3,250,000 budgeted for this purpose was also redirected to development of new units.

Grant Number 02NHGHI0001**Table IIb – Uses of NHHG Funds**

		Planned (from the NHHF)		Year-to-Date		Cumulative-to-Date		Year-to-Date			Cumulative-to-Date		
Activity		Number of Units Planned	Number of Families Planned	Number of Units Completed	Number of Units Started Not Completed	Number of Units Completed	Number of Units Started Not Completed	Number of Families Assisted			Number of Families Assisted		
								Low-income Native Hawaiian Families	Non Low-income Native Hawaiian Families	Non-Native Hawaiian Families	Low-income Native Hawaiian Families	Non Low-income Native Hawaiian Families	Non-Native Hawaiian Families
(i)		(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)	(s)	(t)	(u)
1. Development													
a) Rental	Construction of new units	0	0	0	0	0	0	0	0	0	0	0	0
	Acquisition	30	30	0	0	0	0	0	0	0	0	0	0
	Rehabilitation	0	0	0	0	0	0	0	0	0	0	0	0
b) Homeownership	Construction of new units	128	128	0	123	0	123	0	0	0	0	0	0
	Acquisition	0	0	0	0	0	0	0	0	0	0	0	0
	Rehabilitation	10	10	0	0	0	0	0	0	0	0	0	0
2. Housing Services			32	0	0	0	0	8	0	0	8	0	0
3. Housing Management Services		0	0	0	0	0	0	0	0	0	0	0	0
4. Crime Prevention and Safety													
5. Model Activities (specify below)													
a)													
6. Planning and Administration													
7. Total		168	200	0	123	0	123	8	0	0	8	0	0

Table III – Inspection of Assisted Housing

Type of Housing	Total Number of Assisted Units	Units Inspected				
		Total Number of Units Inspected	Number of Units in Standard Condition	Number of Units Needing Moderate Rehabilitation (costing less than \$20,000)	Number of Units Needing Substantial Rehabilitation (more than \$20,000)	Number Units Needing Replacement
Homeownership	0	0	0	0	0	0
Rental	0	0	0	0	0	0
Total	0	0	0	0	0	0

Attachment 4 ANNUAL PERFORMANCE REPORT--NATIVE HAWAIIAN HOUSING PLAN/NAHASDA 7/01/03 TO 6/30/04 02NHGHI0001						
	DESCRIPTION	BUDGETED AMT.	FUNDS OBLGTD.	FUNDS EXP.	PROJECT/PROGRAM	STATUS
GOAL NO. 1	To increase the affordable housing inventory on HHL to meet the increasing or unmet demand for housing by low-income nH families.	\$ 8,920,000.00				
OBJECTIVE 1A	To enhance the supply of affordable housing units through the construction of infrastructure improvements or single-family, multi-family, rent-to-own, or rental housing.					
TASK NO. 1	Design and construct new infrastructure improvements for at least one single-family residential subdivision.		\$ 1,980,337.00	\$ 537,508.00	Waiakea 6 (40 units)--Infrastructure construction	Construction ongoing. Trust funds to be used for Water Facility Charges(\$215,190). Horizon Pest Management installing termite bait traps.
			\$ 4,000,000.00	\$ 4,000,000.00	Waiehu Kou Ph.3 (115 units)--Infrastructure construction	Site work is about 80% complete. Construction of infrastructure delayed due to weather and completion scheduled for end of August 2004. House construction (77 turnkey) has begun and is scheduled for completion in November 2004. 38 vacant lots--lessees have 3 years to construct (2 have opted to contract with developer to construct at same time as the 77 turnkey). Project is 50% funded by NHHBG.
					Nanakuli 5-3 (Ulei Loop)--18-20 lots--Infrastructure construction	Project delayed due to necessary reviews of rockfall mitigation and expansive soil conditions. MOVE PROJECT TO 03NHGHI001.
			\$ 1,247,300.00		East Kapolei water and wastewater planning, engineering design of off-site improvements and residential subdivision	Contract executed with Community Planning, Inc. for engineering services. Contract amount of \$1,247,300.00, dated 6/14/04.
TASK NO. 2	To partner with private non-profit and/or for-profit organizations in the construction of affordable housing units for at least one single-family residential subdivision.		\$ 564,000.00	\$ 474,845.00	Kapolei Self Help (33 units)--Technical assistance to supervise families in constructing homes	There are 4 huis in this project, the first hui (12 families) is not funded by NAHASDA. All four huis are under construction (45 units). Hui 1 is completing houses--should be complete by end June; Hui 2 is pouring driveways--should be complete by August; Hui 3 is installing cabinets and countertops--should be completed by Sept; and Hui 4 to begin drywalling--should be completed by Oct.
TASK NO. 3	To create at least one affordable housing program that encourages the self-help (sweat equity) construction method and the use of private capital (if possible) to assist low-income families achieve homeownership.		\$ 42,547.00	\$ 5,112.00	Waianae Valley Affordable Project (32 units)--Technical assistance to assist families in qualifying for mortgages.	8 homes completed, 1 home is being taped, 1 is at foundation, 4 loans pending approval. Orientation meetings held May 17-20, counseling and selection of eligible families in process.
			\$ 179,265.00	\$ 11,913.00	Waiohuli Residence Lots (Kula) 17 families for technical assistance for self-help construction and electrical, plumbing, wastewater and lot clearing	Self-Help Housing Corporation of Hawaii (SHHCH) is working on loan dockets for 13 families, first 6 dockets being sent to RD, project will start when 8-9 families receive loan approval. With subsidies from FHLB of Seattle and NAHASDA, cost to awardees will be \$60,400 for a 3bdrm. 2 bath house.
					To assist 2 families in Waiohuli Residence Lots with extreme lot conditions.	Grant request submitted in March 2004 for Maui Habitat for Humanity to provide financial assistance to 2 low-income families for onsite improvements to be submitted to Hawaiian Homes Commission for approval in July 2004. (\$120,000)
TASK NO. 4	To support the provision of affordable housing activities by offering appropriate financing options to eligible nH.				Loan Programs	
TASK NO. 5	To initiate the search for and acquisition of real estate, which may require renovation, for a mutual housing project--to provide housing, education and experience for eligible applicants to transition from renter to homeowner.				Mutual Housing	Letter sent to Office of Native American Programs on 6/3/04 to request deletion of this project from the NHHP awaiting approval of request.
OBJECTIVE 1B	To assist in the preservation and revitalization of existing homes and communities on HHL.					
TASK NO. 1	Coordinate with existing Federal, State, local or private resources available for housing rehabilitation to eliminate duplication and leverage NAHASDA grant dollars.				All islands	Draft subrecipient agreements sent to Hawaii, Maui and Kauai for review. Meeting with Honolulu City & County held to go over their comments--amended agreement, which is being reviewed by C&C counsel.
TASK NO. 2	Create a subsidized loan and/or grant program to assist eligible families rehabilitate or expand existing housing units.		\$ 393,750.00		Oahu	The Hawaiian Homes Commission approved funding the Hawaiian Community Development Board's proposal for downpayment assistance to 25 families in Nanakuli for replacement homes. Subrecipient agreement executed and submitted to DAGS for certification.

	DESCRIPTION	BUDGETED AMT.	FUNDS OBLGTD.	FUNDS EXP.	PROJECT/PROGRAM	STATUS
GOAL NO. 2	To support the development and maintenance of healthy and safe communities on HHL.					Community Grant Program initiated using Program Year 2 funds.
GOAL NO. 3	To encourage self-determination within nH communities located on HHL in resolving housing and community development issues.					Community Grant Program initiated using Program Year 2 funds.
GOAL NO. 4	To develop educational and training programs to address the housing and community needs on HHL.	\$ 200,000.00			All islands	
OBJECTIVE	To encourage development of and access to educational programs that assist nH families with financial literacy and pre- and post-homebuyer education.					
TASK	Partner with private non-profit or for-profit organizations to provide homebuyer counseling services or financial literacy education services to nH families who are eligible to purchase NAHASDA assisted units.		\$ 255,000.00		All islands	Hawaiian Homes Commission approved recommendation to fund Hawaiian Community Assets (\$120,000) and Nanakuli Housing Corp. (\$135,000) to do homeownership training. Subrecipient agreement executed and submitted to DAGS for certification.
GOAL NO. 5	To enhance the capacity to implement NAHASDA and actively seek partnership opportunities with non-profit and for-profit housing and housing related service providers.	\$ 480,000.00	\$ 186,870.00	\$ 186,479.00		
OBJECTIVE 5A	To provide sufficient administration and organizational capabilities to manage affordable housing programs, properties and assets on HHL.					
TASK NO. 1	Increase staff resources for DHHL to administer and manage the NAHASDA program.					Position for loan officer to handle NAHASDA loans in recruiting.
TASK NO. 2	Contract for survey beneficiary eligibility for NAHASDA assistance		\$ 109,330.00	\$ 105,610.00		Final report submitted by SMS Research.
			\$ 24,800.00	\$ 24,800.00		Alu Like used 2000 Census to obtain population profiles for selected HHL communities for NAHASDA planning.
TASK NO. 3	Enhance the loan servicing capacity available for lending on HHL.					
OBJECTIVE 5B	To establish collaborative partnerships to address affordable housing needs.					
TASK NO. 1	Provide technical assistance to community based organizations located on HHL, non-profit and for-profit affordable housing providers, nH service organizations, State and local housing agencies, and other organizations that provide housing and community services to educate these organizations about NAHASDA and to encourage parnerships and planning for future activities.		\$ 159,000.00	\$ 86,437.00	NOTE: Contract for \$165,000; however exceeds Admin budget; therefore, approx. \$6,000 of 2003 funds will be used to augment.	CNHA completed training for two grant cycles. As of the March 31 deadline, 14 proposals submitted for 2nd cycle. Change order to do one more round of training completed for an additional \$45,000.
TASK NO. 2	Pursue opportunities to educate private lenders and encourage their participation in the Section 184A program or other financing programs created utilizing NAHASDA dollars.					HomeStreet Bank obtained go ahead from home office (Fannie Mae will purchase loan) to utilize the Section 184A loan program. Contact made with Washington Mutual to explore use of 184A. LDD to explore using Waiohuli scattered lots for turn-key project.
	TOTAL FUNDS APPROVED/DRAWN	\$ 9,600,000.00	\$ 9,142,199.00	\$ 5,432,704.00		

Part I – Reporting on the One-Year Native Hawaiian Housing Plan (NHHP)

[NOTE: A separate Part I (that includes Tables I and II) must be completed for each open grant.]

Is this the final APR for this grant? Check one: Yes No
X

Each year, the DHHL develops goals and objectives in the NHHP that describe the use of NHHBG funds. At the end of the program year, a report on the progress made towards achievement of the goals and objectives is provided to the public and to HUD.

1. Report on each of the one-year goals and objectives identified in the NHHP for this reporting period on a table format developed by the DHHL. The table should include the following information: Goal, Objective and Task Identification Number; Description of Goal, Objective or Task; Budgeted Amount by Goal, Objective or Task; Expended Amount by Goal, Objective or Task; Project or Program Description; and Accomplishments during the Program Year. Provide an explanation for any cost overruns or delays in completing Goals, Objectives or Tasks.

As of this reporting, DHHL is behind in its annual schedule of development, however, it is anticipated that the schedule will be back on track in FY 2005. Development of individual projects was delayed in FY 2003-04 to do long range planning of all DHHL projects for the next 8 years. This planning process is complete and DHHL anticipates being on schedule to complete our goals.

Discussions with the counties continued during this reporting period and subrecipient agreements were drafted and are being finalized with the City and County of Honolulu and the County of Hawaii; however, no loans have been made to date.

See Attachment 4 for status details of each Objective and Task.

2. Are you on schedule to complete the 5-year goals identified in your NHHP?

Check one: Yes ☒ No ☐

3. If the answer to #2 is no, explain causes for delays and how you plan to modify your program to meet your 5-year goals and objectives.

NA

4. How would you change your programs in general as a result of your experience with the implementation of NAHASDA?

No general changes are anticipated. DHHL has been able to work within the parameters of NAHASDA.

DHHL is in the midst of developing a pilot program to utilize the Section 184A Loan Guarantee Program with DHHL as the borrower.

- a. 17 to 20-lot project has been identified on the island of Maui and DHHL will construct homes to be sold to applicants on the DHHL waiting list.
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DHHL would like to pursue discussions to make adjustments to the procedures of the 184A Loan Guarantee Program to enable individual borrowers to utilize the program. The 184A Loan Guarantee Program could then augment the Federal Housing Administration (FHA) Section 247 Loan Program.

Sources of Funds (Table I)

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Funds Actually Awarded – A list of the amounts actually received by DHHL from the various funding sources.

Narrative:

If funds actually received are different than planned amounts, explain why the planned amount was not realized and how planned activities are impacted.

1.

Uses of NHHG Funds (Table II)

Compares the funds planned to be expended in the NHP by planned allowable activities to the actual funds expended for allowable activities. The information should be presented in a table format and compares the planned number of units and the planned number of families to be assisted in the NHP to the actual number of units started or completed and the actual number of families assisted during the reporting period and cumulatively. (See Attachment 2 for a sample)

Narrative:

Amount of NHHBG funds (principal only) invested as of this reporting period end date.

\$ 0.00

Part II – Reporting on Program Year Accomplishments

[This Part is not grant specific. A single Part II consisting of Sections A through C (including the Inspection of Assisted Housing table), is to be prepared and submitted at the end of each fiscal year and will cover all open grants.]

SECTION A – ASSESSMENT

1. Self-Assessment: Sec. 819(b) of the NAHASDA requires the DHHL to annually review its activities and to include the results of this review in its APR. Under this section, provide a narrative briefly describing the activities monitored, the findings of the DHHL related to these activities, actions planned to address significant deficiencies, and any specific actions conducted to monitor sub-recipients.

During this reporting period, grant funds were obligated for infrastructure construction, program technical assistance and administration. Other scheduled developments and projects are in the environmental review process or contract negotiation.

DHHL monitors all contracts according to conditions within the contracts. Physical inspections are done by DHHL staff or contractors hired by DHHL to verify progress of construction reported by contractors. As of June 30, 2004, no subrecipient has been given Notice to Proceed.

DHHL has policies and procedures for financial management of all funds received and disbursed. Monthly financial reports to DHHL administrators and quarterly reports to the Hawaiian Homes Commission provide the financial status of all budgeted amounts versus actual expenditures by appropriations. Independent audits are conducted annually and a legislative audit is conducted every three years. DHHL has an accountant on staff to monitor receipt and disbursements of all NHHBG funds.

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2. Assisted Housing Unit Inspection: Sec. 819(b)(2) specifies that self-assessment must include an on-site inspection of housing units assisted with NHHBG funds. A summary of the results of the assisted housing units inspected in this reporting period should be included in the APR in table format.

During this reporting period, there were no NAHASDA assisted rental units constructed on Hawaiian home lands; therefore, no inspections were conducted.

Inspection of Assisted Housing (Table III)

Provide the information in table format summarizing the results of assisted housing unit inspection. The table should include the following information: Type of Housing; Total Number of Assisted Housing; Number of Units Inspected; Number of Units in Standard Condition; Number of Units Needing Moderate Rehabilitation (costing less than \$20,000); Number of Units Needing Substantial Rehabilitation (costing more than \$20,000); and Number of Units Needing Replacement (See Attachment 3 for a sample).

SECTION B – PUBLIC ACCOUNTABILITY

Section 820(d) of NAHASDA requires the DHHL to make the APR available for public comment and to provide a summary of any comments received from beneficiaries with the submission to HUD. Attach a narrative summary of comments received and, if appropriate, actions planned by the DHHL to address beneficiary concerns.

Grant Number 03NHGHI001**Table I – Sources of Funds**

Sources of Funds for NHHBG Activities	Planned Amount (from the NHHP)	Total Amount Actually Awarded
(a)	(b)	(c)
1. HUD Resources		
a. Native Hawaiian Housing Block Grant	\$9,600,000.00	\$9,537,600.00
b. Program Income	\$0.00	\$0.00
c. Other HUD Programs	\$0.00	\$0.00
2. Other Federal Resources	\$0.00	\$0.00
a.		
b.		
c.		
3. State Resources	\$0.00	\$0.00
a.		
b.		
c.		
4. Private Resources	\$0.00	\$0.00
a.		
b.		
c.		
5. Total Resources	\$9,600,000.00	\$9,537,600.00

Grant Number **03NHGHI001**

Table IIa – Uses of NHHG Funds

Activity		Planned (from the NHHG)		Year-to-Date		Cumulative-to-Date		Percentage of NHHBG Grant Funds Obligated
		Budgeted NHHBG Amount	Budgeted Other Amounts	Grant (NHHBG) Funds Expended	Other Funds Expended	Grant (NHHBG) Funds Expended	Other Funds Expended	
(a)		(b)	(c)	(d)	(e)	(f)	(g)	(h)
1. Development		\$6,500,000.00	\$0.00					30.8%
a) Rental	Construction of new units							
	Acquisition							
	Rehabilitation							
b) Homeownership	Construction of new units	\$5,500,000.00	\$0.00					36.3%
	Loan Programs	\$1,000,000.00	\$0.00					0.0%
	Grants							
	Acquisition							
	Rehabilitation							
2. Housing Services		\$ 400,000.00	\$ 0.00					1.5%
3. Housing Management Services		\$ 900,000.00	\$0.00					0.0%
4. Crime Prevention and Safety		\$ 250,000.00	\$0.00					0.0%
5. Model Activities (specify below)								
a) a) Mutual Housing Program		\$1,010,720.00	\$0.00					0.0%
6. Planning and Administration		\$ 476,880.00		\$ 79,894.00		\$ 79,894.00		16.8%
7. Total		\$9,537,600.00		\$ 79,894.00		\$ 79,894.00		21.9%

Grant Number 03NHGHI001

Table IIb – Uses of NHHG Funds

[illegible]

Table III – Inspection of Assisted Housing

Type of Housing	Total Number of Assisted Units	Units Inspected				
		Total Number of Units Inspected	Number of Units in Standard Condition	Number of Units Needing Moderate Rehabilitation (costing less than \$20,000)	Number of Units Needing Substantial Rehabilitation (more than \$20,000)	Number Units Needing Replacement
Homeownership	0	0	0	0	0	0
Rental	0	0	0	0	0	0
Total	0	0	0	0	0	0

Attachment 4 ANNUAL PERFORMANCE REPORT--NATIVE HAWAIIAN HOUSING PLAN/NAHASDA 7/01/03 TO 6/30/04 03NHGHI001						
	DESCRIPTION	BUDGETED AMT.	FUNDS OBLGTD.	FUNDS EXP.	PROJECT/PROGRAM	STATUS
GOAL NO. 1	Increase the affordable housing inventory on HHL to meet the increasing or unmet demand for housing by low-income nH families.	\$ 7,400,000.00				
OBJECTIVE 1A	Enhance the supply of affordable housing units through the construction of infrastructure improvements or single-family, multi-family, rent-to-own, or rental housing.					
TASK NO. 1	Design and construct new infrastructure improvements for at least one single-family residential subdivision to serve at least 40 eligible families.		\$ 2,000,000.00		Lalamilo Residential Lots Project, Phase I (34 lots)--Infrastructure construction	Development Agreement effective May 1, 2004, and with DAGS for certification.
					Kekaha Residential Lots (49 lots)--Infrastructure construction--\$4million	Esaki instructed to continue with engineering subject to final determination about propane storage tanks that need to be separated (275 feet) from home sites. Consultant looking for measures to mitigate to enable DHHL to do 100% lots (49) NAHASDA.
TASK NO. 2	Create at least one affordable housing program that encourages the self-help (sweat equity) construction method to assist a minimum of ten (10) low-income families achieve homeownership.					LDD HOUSING working on project on Hawaii.
TASK NO. 3	Support the provision of affordable housing by offering appropriate subsidies, which may be recaptured during the useful life period, and low interest loans to at least 20 eligible native Hawaiians					Grant request submitted in March 2004 for AluLike Inc. to provide matching funds for Individual Development Accounts for Lanai applicants to be submitted to Hawaiian Homes Commission for approval in July 2004. (\$45,000)
						Grant request submitted in March 2004 for Hawaiian Community Assets, Inc. to provide downpayment assistance to low-income families in Maui County to be submitted to Hawaiian Homes Commission for approval in July 2004. (\$180,000)
						Grant request submitted in March 2004 for Honolulu Habitat for Humanity and Maui Habitat for Humanity to provide assistance to low-income families to be submitted to Hawaiian Homes Commission for approval in July 2004. (\$458,785)
TASK NO. 4	Contract to design and constuct a multi-family building to implement a mutual housing project--to provide housing, education and experience for at least 30 eligible applicants to transition from renter to homeowner.					Based on discussions with Land Development it may not be possible to initiate this project this fiscal year. A determination will be made within the next month or so.
OBJECTIVE 1B	Assist in the preservation and revitalization of existing homes and communities on HHL.					
TASK NO. 1	Continue working with existing Federal, State, local or private resources available for housing rehabilitation to eliminate duplication of services and leverage NAHASDA grant dollars.					DHHL staff continues to work with counties to implement program, subrecipient agreements with County of Hawaii and City and County of Honolulu for execution.
TASK NO. 2	Continue providing subsidized loans and/or grant program to assist at least 20 eligible families rehabilitate or expand existing housing units.					
TASK NO. 3	Work with a non-profit organization to create a pilot self-help program to do small repairs/painting on existing homes for at least 15 families					Grant request submitted in March 2004 for Nanakuli Housing Corporation to develop "self-help" home repair program to be submitted to Hawaiian Homes Commission for approval in July 2004 (\$150,000)
GOAL NO. 2	Support the development and maintenance of healthy and safe communities on HHL.	\$ 1,260,720.00				
OBJECTIVE 2A	Support community-based initiatives which encourage "healthy" communities.					
TASK	Develop a community facility within at least one homestead community to provide a meeting area and community services for kupuna (elderly) and youth activities, cultural activities, community gardens and a police substation.				\$61,200 PENDING. Install fencing, security lights, parking lot for community center	Waimanalo Hawaiian Homes Association--Letter to request approval of model activity was sent to ONAP in April; awaiting approval.
OBJECTIVE 2B	Enhance public safety in the homestead communities.					
TASK	Work with community and resident organizations to develop projects that address drug abuse, family abuse, communtiy policing and traffic within at least two communities.				\$140,579 PENDING. Renovate units to house police substation and to provide training and resources to Anahola lessees	Anahola Hawaiian Homes Association--Letter to request approval of model activity was sent to ONAP in May; awaiting approval.

	DESCRIPTION	BUDGETED AMT.	FUNDS OBLGTD.	FUNDS EXP.	PROJECT/PROGRAM	STATUS
						Grant request submitted in March 2004 for Papakolea Community Development Corporation for community center renovations to be submitted to Hawaiian Homes Commission for approval of security enhancements in July 2004 (\$50,000)
GOAL NO. 3	Encourage self-determination within nH communities located on HHL in resolving housing and community development issues.	\$200,000.00				
OBJECTIVE	Equip and empower community organizations and the Hui Kako'o to become active partners in resolving housing and community development issues within their communities.					
TASK	Provide technical assistance to community-based organizations located on Hawaiian home lands, Hui Kako'o, non-profit and for-profit affordable housing providers, native Hawaiian service organizations, State and local housing agencies, and other organizations that provide housing and community services to educate these organizations about NAHASDA and encourage partnership and planning for future activities.		\$6,000.00		Community Grant Program Training Workshops	CNHA conducted two rounds of workshops and is continuing to do a third for the cycle ending in August 2004. Total contract was \$165,000; of which \$156,000 was paid out of 2002 funds and \$9,0000 of 2003 funds.
GOAL NO. 4	Continue educational and training programs to address the housing and community needs on HHL.	\$200,000.00				
OBJECTIVE	Encourage the continuing development of and access to educational programs that assist nH families with financial literacy and pre- and post-homebuyer education, especially where new subdivisions have been or will be constructed in Lanai; Kula, Maui; Kekaha, Kauai; Waiakea and Piihonua, Hawaii.					
TASK 1	Contract with private non-profit or for-profit organizations to provide homebuyer counseling services or financial literacy education to nH families who are eligible to purchase NAHASDA assisted units, to assist families who are delinquent in their mortgage payments, to provide early intervention when families are in crisis and to provide training to families in financial management for life strategies.					
TASK 2	Work with community associations to provide training classes for at least 15 homeowners to do home repairs and maintenance (In addition to self-help repair program.)					
GOAL NO. 5	Enhance the capacity to implement NAHASDA and actively seek partnership opportunities with non-profit and for-profit housing and housing related service providers.	\$476,880.00	\$476,880.00	\$79,894.00		
OBJECTIVE 5A	Provide sufficient administration and organizational capabilities to manage affordable housing programs, properties and assets on HHL.					
TASK NO. 1	Hire an accountant to maintain records of NAHASDA expended funds and provide required reporting					An accountant was hired 8/20/03 and is on staff.
TASK NO. 2	Hire one additional loan servicing person to provide loan origination and servicing of NAHASDA loan funds.					Position for loan officer to handle NAHASDA loans in recruiting.
OBJECTIVE 5B	Continue collaborative partnerships addressing affordable housing needs.					
TASK NO. 1	Provide opportunities for applicant based organizations, such as Hui Kako'o, to organize area applicants to participate in planning of future homestead developments.					
TASK NO. 2	Dependent on proposed rules for the use of Section 184A loan program, pursue opportunities to educate private lenders and encourage their participation in the Section 184A program or other financial programs that use NAHASDA dollars.				Waiohuli Residence Lots--17 residential lots for house construction.	DHHL contacted Homestreet Bank, Washington Mutual, Bank of Hawaii, First Hawaiian Bank to determine interest in participating in this loan program in which DHHL would be the institutional borrower.
	TOTAL	\$9,537,600.00	\$2,482,880.00	\$79,894.00		